

Assembly Bill No. 55

Passed the Assembly August 21, 2003

Chief Clerk of the Assembly

Passed the Senate July 24, 2003

Secretary of the Senate

This bill was received by the Governor this _____ day of
_____, 2003, at _____ o'clock __M.

Private Secretary of the Governor

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CHAPTER _____

An act to amend Sections 31485.7 and 31485.8 of, and to add Section 31658 to, the Government Code, relating to county employees' retirement, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 55, Correa. County employees' retirement: additional retirement credit.

Under the County Employees Retirement Law of 1937, retirement benefits are calculated, in part, based upon years of service credit. Members of retirement systems subject to that law may receive service credit for employment in public service not otherwise subject to credit, upon payment of specified additional contributions by lump sum or by installment payments over a period of up to 5 years. Those members may be required to complete those payments within 120 days after their effective date of retirement.

This bill would authorize active members of those retirement systems, upon the election of the county board of supervisors, to receive up to 5 years of service credit for additional retirement credit, as defined, upon payment of additional contributions prior to retirement or, in certain circumstances, within 120 days after retirement, by lump sum or by installment payments over a period of up to 10 years and subject to other conditions, as specified.

The bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Section 31485.7 of the Government Code is amended to read:

31485.7. Notwithstanding anything to the contrary in this chapter, a member who elects to purchase retirement service credit under Section 31494.3, 31641.1, 31641.5, 31646, 31652, or 31658, or under the regulations adopted by the board pursuant to Section 31643 or 31644 shall complete that purchase within 120 days after the effective date of his or her retirement.



This section is not operative in any county until the board of supervisors, by resolution, makes this section applicable in the county.

SEC. 2. Section 31485.8 of the Government Code is amended to read:

31485.8. Notwithstanding anything to the contrary in this chapter, a member who elects to purchase retirement service credit under Section 31494.3, 31641.1, 31641.5, 31646, 31652, or 31658, or under the regulations adopted by the board pursuant to Section 31643 or 31644 shall complete that purchase within 120 days after the effective date of his or her retirement.

This section applies only to a county of the first class, as defined by Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28022, as amended by Chapter 43 of the Statutes of 1961.

SEC. 3. Section 31658 is added to the Government Code, to read:

31658. (a) An active member may elect, by written notice filed with the board, to make contributions pursuant to this section and to receive up to five years of service credit in the retirement system for additional retirement credit, if the member has completed at least five years of credited service with that retirement system.

(b) As used in this section, “additional retirement credit” means time that does not otherwise qualify as county service, public service, military service, medical leave of absence, or any other time recognized for service credit by the retirement system.

(c) Notwithstanding any other provision of this chapter, service credit for additional retirement credit may not be counted to meet the minimum qualifications for service or disability retirement or for purposes of establishing eligibility for any benefits based on 30 years of service, additional ad hoc cost-of-living benefits based on service credit, health care benefits, or any other benefits based upon service credit.

(d) Any member who elects to make contributions and receive service credit for additional retirement credit shall contribute to the retirement fund, prior to the effective date of his or her retirement, by lump-sum payment or by installment payments over a period not to exceed 10 years, an amount that, at the time of commencement of purchase, in the opinion of the board and the



actuary, is sufficient to not place any additional financial burden upon the retirement system.

(e) No member may receive service credit under this section for any additional retirement credit for which he or she has not completed payment pursuant to subdivision (d) before the effective date of his or her retirement. Subject to the limitations of United States Internal Revenue Service regulations, a member who has elected to make payment in installments may complete payment by lump sum at any time prior to the effective date of his or her retirement.

(f) Any sums paid by a member pursuant to this section shall be considered to be and administered as contributions by the member.

(g) This section is not operative in any county until the board of supervisors, by resolution adopted by majority vote, makes this section applicable in the county.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Because of the recent declines in the performance of the stock market and the impact of those declines on future retirees, and in order to provide county employees a means to offset those declines, it is necessary that this act take effect immediately.



Approved _____, 2003

Governor

